

# SIDLEY & AUSTIN

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ONE FIRST NATIONAL PLAZA  
CHICAGO, ILLINOIS 60603  
312: 853-7000 TELEX 25-4364

2049 CENTURY PARK EAST  
LOS ANGELES, CALIFORNIA 90067  
213: 553-8100 TELEX 18-1391

520 MADISON AVENUE  
NEW YORK, NEW YORK 10022  
212: 418-2100 TELEX 97-1696

1722 EYE STREET, N.W.  
WASHINGTON, D.C. 20006  
TELEPHONE 202: 429-4000  
TELEX 89-463

18 KING WILLIAM STREET  
LONDON, EC4N 7SA, ENGLAND  
441: 621-1616 TELEX 924125

5 SHENTON WAY  
SINGAPORE 0106  
65: 224-5000 TELEX 28754

P.O. BOX 8650  
RIYADH, SAUDI ARABIA  
966 1-463-4160 TELEX 404947

May 6, 1987

BY HAND

RECORDATION NO. 1-5226 Filed & Recorded 7-127A030

Ms. Mildred Lee  
Recordation Unit  
Interstate Commerce Commission  
12th Street & Constitution Ave., N.W.  
Room 2303  
Washington, D.C. 20423

RECORDED  
MAY 7 1987 10:50 AM  
Date MAY 7 1987  
Fee \$ 10.00  
ICC Washington, D.C.

Dear Ms. Lee:

Enclosed herewith please find three copies of a Restated and Amended Chattel Mortgage, the parties to which are Autex Fibers Lewistown, Inc. (Mortgagor), 1000 Elizabeth Street, Lewistown, Pennsylvania, 17044, and Heller Financial, Inc. (Mortgagee), 101 Park Avenue, New York, N.Y. 10178. The equipment consists of one 1948 Model G.E. Locomotive, 44 ton, 2 caterpillar engines and one brown track crane, 1949 Model, weighing 25 tons, as set forth in Exhibit A to the Restated and Amended Chattel Mortgage.

The name, address and phone number of the person requesting the registration of this mortgage is:

G. Paul Moates  
Sidley & Austin  
1722 Eye Street, N.W.  
Washington, D.C. 20006  
Telephone (202) 429-4175

Thank you for your assistance.

Sincerely,

*G. Paul Moates*

G. Paul Moates

GPM:vam  
Enclosures

100 OFFICE OF  
THE SECRETARY  
MAY 7 10 44 AM '87  
MOTOR OPERATING UNIT

*Copy to Mary McCarron*

Interstate Commerce Commission  
Washington, D.C. 20423

5/7/87

OFFICE OF THE SECRETARY

G. Paul Moates  
Sidley & Austin  
1722 Eye Street N.W.  
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/7/87 at 10:50am, and assigned re-recording number(s) 4522]

Sincerely yours,

*Noreta R. McGee*  
Secretary

Enclosure(s)

SE-30  
(7/79)

MAY 7 1987 10:50 AM

INTERSTATE COMMERCE COMMISSION  
RESTATED AND AMENDED CHATTEL MORTGAGE

THIS RESTATED AND AMENDED CHATTEL MORTGAGE ("Chattel Mortgage") dated as of the close of business on April 3, 1987 is entered into between AVTEX FIBERS LEWISTOWN INC., a Pennsylvania corporation, whose address is 1000 Elizabeth Street, Lewistown, Pennsylvania 17044 (hereinafter called "Mortgagor"), and HELLER FINANCIAL, INC., with an office located at 101 Park Avenue, New York, New York 10178 (hereinafter called "Mortgagee").

W I T N E S S E T H:

WHEREAS, Mortgagee has entered into various financing arrangements with Avtex Fibers Inc., a New York corporation ("Avtex New York"), and Avtex Fibers Inc., a Pennsylvania corporation and the successor-by-merger to Avtex New York ("Seller"), pursuant to which Mortgagee has extended loans and other financial accommodations to Avtex New York and Seller;

WHEREAS, as part of such financing arrangements, Avtex New York executed and delivered to Mortgagee that certain Mortgage and Security Agreement - Rolling Stock dated June 20, 1980 ("Rolling Stock Mortgage"), pursuant to which Avtex New York granted to Mortgagee liens on and security interests in the items of rolling stock described in the Rolling Stock Mortgage;

WHEREAS, Seller has agreed to sell certain assets constituting Seller's Polyester Fiber Division located in Lewistown, Pennsylvania, to Mortgagor, including, without limitation, the rolling stock described in the Rolling Stock Mortgage;

WHEREAS, Mortgagor has executed and delivered to Mortgagee that certain Restated and Amended Factoring, Loan and Security Agreement ("Loan Agreement"), of even date herewith, pursuant to which (i) Mortgagor has agreed to restate and amend in their entirety all of the instruments, documents and agreements evidencing and governing certain of Mortgagor's indebtedness and obligations to Mortgagee, and (ii) Mortgagee may from time to time extend certain loans and other financial accommodations to Mortgagor;

WHEREAS, it the intent of the parties hereto that this Chattel Mortgage amend and restate in its entirety the Rolling Stock Mortgage and that from and after the date hereof, the Rolling Stock Mortgage shall be of no force or

effect except to evidence the aforesaid grant to Mortgagee of liens on and security interests in the rolling stock described in the Rolling Stock Mortgage;

NOW, THEREFORE, Mortgagor, for and in consideration of the foregoing premises, which are incorporated herein by this reference thereto, other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the "Obligations" (as defined in the Loan Agreement) and other matters hereinafter mentioned, does hereby grant, sell, mortgage and convey unto Mortgagee, its successors and assigns, the units of railroad equipment listed in the attached Exhibit A hereto which are now owned by Mortgagor, together with any and all units of railroad equipment hereafter acquired or substituted therefor pursuant to the written consent of Mortgagee, all additions, accessories, parts, improvements and equipment owned by Mortgagor which are now or hereafter affixed to any of such units, all substitutions therefor and all products and proceeds therefrom (all being hereinafter collectively called the "Units");

TO HAVE AND TO HOLD the Units unto Mortgagee, its successors and assigns, to its and their sole use forever;

PROVIDED that the Units are granted, sold, mortgaged and conveyed hereunder as security for the payment and performance by Mortgagor of all of the Obligations;

AND PROVIDED FURTHER that if Mortgagor, or its successors and assigns, shall pay and perform all the Obligations, then this Chattel Mortgage shall be void; otherwise this Chattel Mortgage shall remain in full force and effect.

Mortgagor hereby represents and warrants that it has and will at all times continue to have good and marketable title to the Units, free and clear of all claims, liens, security interests and encumbrances (other than this Chattel Mortgage) by or in favor of any person and that it will defend such title against the claims and demands of all persons whomsoever.

Mortgagor shall comply in all respects with all laws (including, without limitation, laws with respect to the use, maintenance and operation of each Unit) of the jurisdictions in which operations involving the Units may extend, with the interchange rules of the Association of American Railroads, with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units and with all provisions of any insurance policies

carried by Mortgagor; and, in the event that such laws, rules or provisions require any alteration, replacement, addition or modification of or to any part of any Unit, Mortgagor shall conform therewith at its own expense; provided, however, that Mortgagor may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Mortgagee, adversely affect the property or rights of Mortgagee under this Chattel Mortgage.

Mortgagor shall pay all costs, expenses, taxes, fees and charges incurred in connection with the ownership, use and operation of the Units. Mortgagor, at its own cost and expense, shall maintain and service, or cause to be maintained and serviced, each of the Units so as to keep it in the same operating condition, order, repair and appearance as it was when it first became subject to this Chattel Mortgage, ordinary wear and tear excepted.

Mortgagor, at its own cost and expense, may at its option furnish additions, modifications and improvements to the Units. All such additions, modifications and improvements shall remain the property of Mortgagor, but shall be subject to the lien of this Chattel Mortgage. Mortgagor shall not, however, without the prior written consent of Mortgagee, alter any Unit, or affix or install any accessories or devices on any Unit, if the same shall impair the currently intended function or use of such Unit or shall diminish its commercial value.

Mortgagor hereby covenants and agrees that, if there shall occur a default under the Loan Agreement, then, and in any such event, Mortgagee, or its successors or assigns, shall thereupon have the right to take immediate possession of the Units, or any portion thereof, and for that purpose may pursue the same wherever any of the Units may be found and, to the extent permitted by law, may enter any of the premises of Mortgagor with or without force or process of law wherever any of the Units may be located, and Mortgagee shall have the right to take possession of the Units, or any of them, keep and store the same until sold or remove and sell and dispose of the same at public or private sale to the extent permitted by law, at one or more sales, as an entirety or in parcels, or in lieu of or in addition to exercising the power of sale hereinabove given, to proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein granted, or for any foreclosure hereunder, or for the sale of the Units, or any of them, under the judgment or decree of any court or courts of competent jurisdiction. To the full extent that Mortgagee may lawfully do so, Mortgagor agrees that it will not at any

time claim the benefit of any stay, extension, appraisalment, redemption or similar law now or hereafter in force.

Mortgagee shall be entitled to reimbursement from the proceeds of any such sale or foreclosure for all costs and charges incurred by it or its agents or attorneys in taking, removing, keeping, storing and selling the Units, including any and all attorneys' and paralegals' fees and other costs and expenses incurred in connection with any such foreclosure or sale. Any surplus remaining after reimbursement for such costs and expenses and after payment of the Obligations shall be paid to Mortgagor.

All rights and remedies of Mortgagee hereunder are cumulative, and no delay on the part of Mortgagee in the exercise of any such right or remedy shall operate as a waiver thereof, and no single or partial exercise by Mortgagee of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

This Chattel Mortgage shall be governed by the internal laws (as opposed to conflict of laws provisions) of the State of New York, but the parties shall be entitled to the rights with respect to the recordation of certain liens as codified at 49 United States Code § 11303(a) or any successor provision.

The liens and security interests hitherto evidenced by the Rolling Stock Mortgage remain outstanding as of the date hereof. Mortgagor expressly understands and agrees that this Chattel Mortgage (i) merely re-evidences the Rolling Stock Mortgage and modifies the terms thereof, (ii) is given in substitution of, and not in satisfaction of, the Rolling Stock Mortgage and (iii) is in no way intended to constitute a novation of the Rolling Stock Mortgage.

IN WITNESS WHEREOF, Mortgagor, pursuant to due authority, has caused this Chattel Mortgage to be signed in

its name by a duly authorized officer of the Mortgagor,  
all as of the date first above written.

MORTGAGOR:

AVTEX FIBERS LEWISTOWN INC.

By Howard E. Pollard  
Vice President + Treasurer

MORTGAGEE:

HELLER FINANCIAL, INC.

By [Signature] - [Signature]  
Senior V.P.

STATE OF NEW YORK                    )  
  ) SS  
COUNTY OF NEW YORK                )

On this 30th day of April, 1987, before me personally appeared Howard E. Pollard, to me personally known, who, being by me duly sworn, did depose and say that he resides at 909 Dolphin Dr. Malvern, PA; that he is the Vice President-Treasurer of Avtex Fibers Lewistown Inc., the corporation described in and which executed the above instrument; and that he signed his name thereto by order of the board of directors of said corporation.

Lynne M. Weber  
Notary Public

(Notarial Seal)

My Commission expires:

LYNNE M WEBER  
Notary Public, State of New York  
No. 4826180  
Qualified in Suffolk County 6/30/88  
Commission Expires



EXHIBIT A  
to  
RESTATED AND AMENDED CHATTEL MORTGAGE  
Avtex Fibers Lewistown Inc., Mortgagor  
Heller Financial, Inc., Mortgagee

Mortgagor's Railroad Equipment

None, except:

1. One (1) 1948 model G.E. locomotive, 44 ton, 2 Caterpillar engines, serial number 29971.
2. One (1) brown track crane, 1949 model, 25 ton, no serial number.